REPORT ON EXAMINATION
OF THE
SEGREGATED GIFT ANNUITY FUND
OF THE
COLUMBIA UNIVERSITY

AS OF December 31, 2023

EXAMINER: Adelia Gbadamosi

DATE OF REPORT: January 29, 2025

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March 7, 2025

Honorable Adrienne A. Harris
Superintendent of Financial Services
New York, New York 10004

Dear Adrienne A. Harris:

In accordance with instructions contained in Appointment No. 32621, dated June 21, 2024 and annexed hereto, an examination has been made into the condition and affairs of the Segregated Gift Annuity Fund of the Columbia University. The Fund's home office is located at 622 West 113th Street, New York, NY 10025.

The report indicating the results of this examination is respectfully submitted.

1. EXECUTIVE SUMMARY

The examiner's review of a sample of transactions did not reveal any differences which materially affected the Fund's financial condition as presented in its financial statements contained in the December 31, 2023 filed annual statement. (See item 4 of this report)

The examiner's review of the Fund's treatment of annuitants did not reveal significant instances which deviated from the New York Insurance Law, Department regulations and circular letters and the operating rules of the Fund. (See item 5 of this report)

2. SCOPE OF EXAMINATION

This Scope of Examination summarizes the nature of the Superintendent of the Department of Financial Services' ("Department" or "DFS") examination and assessment of the Segregated Gift Annuity Fund of the Columbia University (the "Fund") through which the Columbia University (the "University") provides annuity benefits.

The prior examination was conducted as of December 31, 2018. This examination covers the period from January 1, 2019 through December 31, 2023. As necessary, the examiner reviewed transactions occurring subsequent to December 31, 2023 but prior to the date of this report (i.e., the completion date of the examination).

This report outlines DFS's supervisory expectations or priorities and articulates DFS's general views regarding the exceptional circumstances where the University or Fund, in relation to their annuity activities, could have better adhered to statutory standards and guidance or practices or methods of dealing that are regularly observed among similar circumstances.

The Fund is subject to the solvency and examination requirements of New York Insurance Law § 1110 and of New York Insurance Law articles 1, 2, 3, 25, and 74.

The investment of the Fund's required admitted assets is subject to N.Y. Estates, Powers and Trust Law § 11-2.3. The investment of the remainder of the Fund's admitted assets is subject to N.Y. Not-for-Profit Corporation Law Article 5-a. Both establish that the trustees are to invest the assets consistent with prudent person standards.

The examination comprised a verification of assets and liabilities as of December 31, 2023 to determine whether the Fund's filed 2023 annual statement fairly presents its financial condition. The examiner reviewed the Fund's income and disbursements necessary to accomplish such verification. The examiner also reviewed the corrective actions taken by the Fund with respect to the recommendation contained in the prior report on examination. The result of such review is contained in item 7 of this report.

3. DESCRIPTION OF FUND

A. History

Columbia University was chartered in 1754 to offer instruction and education in languages, liberal arts and sciences. Years later it became one of the world's most important centers of research and at the same time a distinctive and distinguished learning environment for undergraduate and graduate students in many scholarly and professional fields. The University established the Fund to issue gift annuity agreements in return for gifts from donors in 1982. The Superintendent of Financial Services granted to the University a Charitable Annuity Society special permit on August 1, 1984.

B. Structure

The Fund is overseen by the University's board of trustees. All operations related to the issuance, maintenance, and settlement of annuity agreements are handled by the Fund.

C. Assets under the Board of Trustees

As of the June 30, 2023 audited financial statement, the University's Board of Trustees oversaw an endowment consisting of approximately 6,300 individual funds comprising $13,642,667,000 in total assets. The Fund, as of December 31, 2023, held total admitted assets of $39,666,205.

D. Third-party Service Providers

BNY Mellon is the Fund's custodian. BNY Mellon also performs administrative functions such as remitting benefit payments to annuitants; providing 1099R tax forms to annuitants; submitting monthly investment statements, annual reserve reports and quarterly market value reporting to the Fund.

4. ASSETS AND LIABILITIES SUMMARY

The following summary table indicates the growth in various categories of the Fund's assets, liabilities, and fund balance during the period under review:

	December 31, 2018	December 31, 2023	Increase
Admitted assets	$26,334,947	$39,666,204	$13,331,257
Liabilities	$14,117,814	$18,462,973	$ 4,345,159
Minimum required fund balance	$ 1,411,781	$ 1,846,297	$ 434,516
Excess fund balance (surplus)	10,805,352	19,356,934	8,551,582
Total annuity fund balance	$12,217,133	$21,203,231	$ 8,986,098
Total liabilities and annuity fund balance	$26,334,947	$39,666,204	$13,331,257

The increase in assets, liabilities and annuity fund balance resulted from the issuance and receipt of new annuity gifts and the termination of existing annuities. Investment performance, particularly investment gains, also impacted the Fund's asset value and annuity fund balance. Annuities decreased from 269 annuities with payment amounts of $1,627,066 as of December 31, 2018 to a total of 251 annuities with annual payment amounts of $1,917,216 as of December 31, 2023.

The Fund's admitted assets, as of December 31, 2023, were invested mainly in equity securities (98.44%).

5. TREATMENT OF ANNUITANTS

The examiner reviewed a sample of annuity files to determine whether the annuitants were treated fairly and in accordance with the provisions of the annuity agreements. The examination also consisted of a review of the various controls involved, a check of the accuracy of the computations and the tracing of accounting data to the books of account.

Based upon the sample reviewed, no significant findings were noted.

6. PRIOR REPORT VIOLATIONS & RECOMMENDATIONS

Following are the violations and recommendations contained in the prior report on examination and the subsequent actions taken by the Fund in response to each citation:

Item	Description
A	The Fund violated Section 312(b) of the New York Insurance Law by failing to obtain signed statements from the board members indicating that they received and read the prior report on examination. The Fund obtained signed statements from the board members indicating that they received and read the prior report on examination.
B	The examiner recommends that the Fund comply with Section 312(b) of the New York Insurance Law by obtaining and maintaining the signature of each board member indicating that they read the prior report on examination. The Fund obtained and maintained the signature of each board member indicting that they read the prior report on examination.
C	The examiner recommends that the board of trustees, or a committee thereof, approve the Fund's Investment Strategy Statement (ISS). The Fund's board of trustees approved the Fund's Investment Strategy Statement (ISS).
D	The examiner recommends that the Fund adopt an Investment Strategy Statement (ISS) that refers to the prudent investor standard as defined in Section 11-2.3 of the Estates, Powers and Trusts Law, which standard, as specified in Section 1110(b) of the New York Insurance Law, governs the manner in which the required admitted assets of a segregated gift annuity fund shall be invested. The Fund has adopted an Investment Strategy Statement (ISS) that refers to the prudent investor standard as defined in Section 11-2.3 of the Estates, Powers and Trusts Law, which standard, as specified in Section 1110(b) of the New York Insurance Law, governs the manner in which the required admitted assets of a segregated gift annuity fund shall be invested.
E	The examiner recommends that the Fund strengthen the diversification of its investment holdings. The Department no longer provides specific guidance for investment diversification.

Item	Description
F	The Fund violated Section 1110(a) of the New York Insurance Law by using gift annuity agreement forms that differed from the gift annuity agreement forms that were filed with the Superintendent. During this examination period, the Fund did not use gift annuity agreement forms that differed from the gift annuity agreement forms that were filed with the Superintendent.
G	The examiner recommends that the Fund file with the Superintendent all gift annuity agreement forms that were used and not previously filed with the Superintendent. During this examination period, the Fund used gift annuity agreement forms which were previously filed with the Superintendent.
H	The examiner recommends that upon the death of an annuitant, the Fund obtain and maintain a death certificate or other reliable documentary evidence that supports such information terminating an annuity contract. During this examination period, the Fund maintained death certificates that supported the terminating of an annuity contract.

Respectfully submitted,

/s/
Adelia Gbadamosi
Senior Insurance Examiner

STATE OF NEW YORK)
)SS:
COUNTY OF NEW YORK)

ADELIA GBADAMOSI, being duly sworn, deposes and says that the foregoing report, subscribed by her, is true to the best of her knowledge and belief.

/s/
Adelia Gbadamosi

Subscribed and sworn to before me

this _____ day of _____

APPOINTMENT NO. 32621

NEW YORK STATE

DEPARTMENT OF FINANCIAL SERVICES

*I, **ADRIENNE A. HARRIS**, Superintendent of Financial Services of the State of New York, pursuant to the provisions of the Financial Services Law and the Insurance Law, do hereby appoint:*

ADELIA GBADAMOSI

as a proper person to examine the affairs of the

SEGREGATED GIFT ANNUITY FUND OF THE COLUMBIA UNIVERSITY

and to make a report to me in writing of the condition of said

FUND

with such other information as she shall deem requisite.

In Witness Whereof, I have hereunto subscribed my name and affixed the official Seal of the Department at the City of New York

this 21st day of June, 2024

ADRIENNE A. HARRIS
Superintendent of Financial Services

By: Mark McLeod

MARK MCLEOD
DEPUTY CHIEF - LIFE BUREAU